



CITY OF DURHAM | DURHAM COUNTY  
NORTH CAROLINA



**Date:** December 16, 2013

**To:** Thomas J. Bonfield, City Manager

**Through:** Keith Chadwell, Deputy City Manager

**From:** Steven L. Medlin, AICP, Planning Director

**Subject:** Coordinated Annexation Agenda Item: Richmond Park

**Executive Summary.** A request for utility extension agreement, voluntary annexation, and initial zoning has been received from Green Olive Investments, LLC for a 7.87 acre property they own at 5622 Grandale Drive. This parcel has a previously approved development plan (Case Z0700041, Attachment 6) approved by the Durham County Board of Commissioners on September 14, 2009.

The applicant has requested an initial zoning designation of Residential Suburban-10 with a development plan (RS-10(D)), which is not consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot. The least intensive zoning for this site is Residential Rural (RR). A memo summarizing this zoning request is attached (Attachment 7). The Administration recommends the City Council adopt the previously approved County zoning as the initial zoning for the following reasons:

- The (proposed RS-10(D) zoning) is consistent with the City-adopted Comprehensive Plan, which recommends Low Density Residential (4 DU/Ac. or less); and
- The RS-10(D) zoning and site development standards are reasonable based on the infill context of this site and the surrounding zoning; and
- The County zoning was approved prior to the adoption of the City Council resolution in October 2012 regarding coordinated zoning, annexation, and utility extension agreements.

Public Works, Water Management and Durham County Engineering performed the utility impact analysis for the utility extension agreement and the existing sanitary sewer and water mains have capacity for the proposed development. No offsite improvements will be required, other than extension of the existing sewer and water mains to the site. The proposed development has submitted an extension agreement for approval by City Council. Budget and Management Services performed a fiscal

impact analysis, which determined that the proposed annexation will be revenue positive immediately upon annexation.

One motion, with three components, is required by law to approve the utility extension agreement, voluntary annexation petition, and zoning map change.

**Alternatives and Recommendation.** Council has two alternatives:

Alternative 1) **Recommended Alternative:** Approve the utility extension agreement, voluntary annexation and initial zoning.

Alternative 2) Deny voluntary annexation petition. No action would be required or authorized on the initial zoning.

**Issues and Analysis.** This request involves two separate items: voluntary annexation, and initial zoning.

#### Voluntary Annexation Petition

The Administration is requesting the Council conduct a public hearing and consider annexation of the subject property with an effective date of December 31, 2013. The public hearing will be held in compliance with N.C. General Statute 160A-31.

#### Initial Zoning

State Statutes (General Statute 160A-360) require that a municipality annexing land place its zoning designation on the property within 60 days of the effective date of the annexation. Staff is recommending an initial zoning designation of Residential RS-10(D) on the property. The RS-10(D) zoning district is not the least intense residential zoning district permitted in the Suburban Tier based on the size of the lot. The Administration recommends the City Council adopt the previously-approved County zoning as the initial zoning for the following reasons:

- The proposed RS-10(D) zoning is consistent with the City-adopted Comprehensive Plan, which recommends Low Density Residential (4 DU/Ac. or less); and
- The RS-10(D) zoning and site development standards are reasonable based on the infill context of this site and the surrounding zoning; and
- The County zoning was approved prior to the adoption of the City Council resolution in October 2012 regarding coordinated zoning, annexation, and utility extension agreements.

**Utility Impacts.** Water service shall be provided by extending the existing 6-inch City of Durham waterline in Sutteridge Court into the property. The applicant completed a fire flow analysis and showed that the fire flow requirements can be met with this main extension. Sewer service shall be provided by extending the existing 8-inch City of Durham sanitary sewer in Sutteridge Court into the property. Sewer service will be provided through City-maintained sewer lines that discharge into a County pump station and treatment at the County's Treatment Plant. Durham County Engineering and Environmental Services has determined that there is allocation in their pump station for this development. Public Works and Water Management are not requesting any major system improvements from this development. Wastewater generated by City of Durham residents within the Northeast Creek Basin is treated at Durham County's Triangle Plant. The Developer is required to obtain all necessary approvals, permits, and easements from the City, Durham County, and/or any other party for any improvements to the wastewater collection and treatment systems required to serve the Project. If the Developer is unable to obtain a required approval from Durham County or any other party, the Developer acknowledges that the City is under no obligation to provide an alternative means of wastewater treatment to the Project. This is consistent with the manner in which the City provides wastewater treatment service to all City residents within the Northeast Creek Basin.

**Financial Impact.** The estimated annual General Fund revenues generated from this annexation area under the initial zoning map change at build out in FY2014-15 is \$38,878. The estimated annual General Fund expenditures associated with providing City services at build out is \$12,133. The estimated annual General Fund net gain to the City at build out is \$26,746. The cumulative estimated General Fund net gain to the City at build out is \$68,324.

CIP expenses are projected to be realized in FY2015-16. This includes an estimated proportional cost of \$4,463 (0.09%) for a new Fire Station, with a total cost of a new Fire Station estimated at \$5,150,000. This is the same Fire Station listed with the Hendrick Southpoint and Oaks at Lyon's Farms annexation.

A cost-benefit analysis is attached that provides cost and revenue projections through FY2024-25, including CIP expenses. The chart below contains additional details regarding projected departmental revenue and expense projections.

Department/Type	Revenues	Expenses
Fire	No revenues - parcel is residential	One-time payment of debt service for Parkwood VFD based on current assessed value.

Memorandum  
Richmond Park

Inspections	Impact fees are paid at time of Cert. of Occupancy: Street Impact fees for General Retail Zone 4 = \$21,075; Parks and Rec Facilities Fees = \$6,375 and Open Space Fees = \$3,330	Net zero: expect cost recovery comparing inspection revenues to staff/service delivery costs.
Planning	Preliminary Plat Review @ \$3,775 and Final Plat Review @ \$1,075	No additional expenses are anticipated.
Police	No revenues anticipated.	Ongoing costs include .1 FTE and operating for \$7,864 annually. Additionally, \$2,297 for the portion of a purchase of a vehicle.
Public Works	Street Maintenance \$98 - Fees and reimbursements. This is "on-going" revenue attributed by % factor for streets added.	\$284 on-going operating for maintenance, fuel, disposables, etc. on an allocated basis for added street mileage.
Transportation	Assumes 1) no fixed route service extended to this area 2) Powell Bill reimbursement for stop sign maintenance - subject to available funds - estimated at \$48 annually for traffic signs and pavement markings 3) 15 paratransit trips would generate \$26 in revenues.	Assumes 1) \$1,282 for thoroughfare streetlights starting in FY2018, 2) no traffic signals, 3) \$41 annualized for stop signs & street markers, 4) \$18 annualized for restriping maintenance, 5) no new fixed route bus required 6) an estimated 15 paratransit trips would be required with an annual cost of \$332.
Solid Waste	Assumes an annual rate of \$324 for the Solid Waste Fee, \$70 for recycling and \$240 for Yard Waste pickup. \$72 for yard waste carts. Yard waste revenues are calculated at 25% of total homes (4 subscriptions).	One-time costs include \$1,552 for recycling, yard waste, and collection carts. Annual operating costs total \$3,901 for fuel, disposal, and other items.
Water Management	Water and Sewer rates are based on size of meter and volume of water used. Does not impact General Fund. One time capital facility fees totaling \$38,670 and about \$5K in annual revenue.	Does not impact General Fund. Given the location of this annexation the City will pay Durham County 80% of the rate to process wastewater. Less this fee, the operating/maintenance costs are assumed at \$3,480 per year and CIP pay-go costs total \$1,959 annually.
Parks & Recreation	Any increased revenues will be offset by increased operational/maintenance needs. No impact.	No additional expenses are projected with this annexation.
Emergency Communications	No revenues anticipated.	No additional expenses are anticipated.
Fleet Management	n/a	n/a

**SDBE Summary.** This item has no known SDBE impact.

**Attachments**

Attachment 1:	Context Map
Attachment 2:	Aerial Map
Attachment 3:	Cost/Benefit Analysis
Attachment 4:	Clerk Certification
Attachment 5:	Legal Description
Attachment 6:	Development Plan (Case Z0700041)
Attachment 7:	Zoning Memo
Attachment 8:	Estimated Utility Life Cycle Costs
Attachment 9:	Utility Extension Agreement
Attachment 10:	Annexation Ordinance
Attachment 11:	Initial Zoning Ordinance
Attachment 12:	Utility Extension Agreement Vicinity Map